

State of Missouri
Office of Secretary of State

Case No. AP-08-31

IN THE MATTER OF:

DORIAN SAUNDERS
CRD # 4577155

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Division of Securities alleges that Respondent, Dorian Saunders, has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business in violation of Section 409.4-412(d)(13), RSMo. (Cum. Supp. 2007).
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondent's activities.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has jurisdiction over this Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2007), which provides:

"The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

WAIVER AND EXCEPTION

5. Respondent waives its right to a hearing with respect to this matter.
6. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
7. This Order represents a settlement between the parties. It is expressly understood that this stipulation and Order are for the purpose of resolving this proceeding only.
8. Respondent and the Securities Division stipulate that the Commissioner has made

certain findings of fact herein, the complete truth of which Respondent does not contest in order to reach a good faith settlement.

CONSENT TO COMMISSIONER'S ORDER

9. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
10. Respondent consents to the Commissioner's Findings of Fact and Conclusions of Law as set forth below solely for the purposes of this proceeding and any proceedings that may be brought to enforce the terms of this Consent Order.
11. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; or (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities is not a party; or (c) his Fifth Amendment rights.
12. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.

FINDINGS OF FACT

13. Dorian Saunders ("Saunders") is an individual with an address of 4015 Blair Avenue St. Louis Missouri 63107. Saunders is registered in Missouri with CRD # 4577155.
14. Saunders was a registered agent of Princor Financial Services Corporation ("Princor") at Princor's office located at 14755 North Outer 40, Suite 110, Chesterfield, Missouri 63017 from March 12, 2003 until August 23, 2007.

MR1

15. MR1 was a 65 year old single person that met Saunders in late 2005 through his affiliation with Princor. MR1 asked Saunders to assist her with future income planning due to her retirement in January 2006.
16. MR1 had accumulated approximately \$225,000 in her deferred compensation account with her employer and needed this money to generate income in order to provide for her daily living expenses. In or about November 2005, MR1 met with Saunders and told him that she would need approximately \$3000 per month for living expenses after retirement.
17. To produce the needed income, Saunders's recommended that MR1 exchange an existing annuity that MR1 owned and combine those funds with the money in the deferred compensation account to purchase a Principal variable annuity.
18. MR1 purchased a Principal variable annuity in the amount of \$247,884 on December 27, 2005.
19. At the time of the Principal annuity sale, MR1 did not have sufficient liquid assets to

meet any unexpected living expenses.

20. On or around October 2007, MR1's living expenses were exceeding the amount that MR1 was receiving monthly from the Principal annuity. MR1 had taken out a second mortgage on her home to cover unexpected expenses and to pay taxes on the distributions that were coming from the Principal annuity.
21. Although Saunders had already been terminated by Princor in August 2007, Saunders met with MR1 in November 2007. MR1 told Saunders that she was having difficulty meeting her monthly expenses from the income being generated by the Principal annuity. Saunders recommended that MR1 surrender the Principal annuity, purchase an Allianz annuity and set up a separate account through him to generate her monthly income.
22. On November 8, 2007 MR1 terminated the Principal annuity and purchased an Allianz annuity. [\[1\]](#)
23. On or around November 19, 2007, MR1's check for \$15,600 was deposited in an account with Bank of America in the name of NolansFX.
24. NolansFX is a Missouri limited liability company organized on June 14, 2007. Saunders's brother is the organizer/owner of this company according to the records on file with the Missouri Secretary of State's office.
25. NolansFX is an introducing broker of InterbankFX (Interbank) which as a futures commission merchant registered with the National Futures Association, conducts trades in foreign currency futures through the foreign exchange market (Forex).
26. Since early 2007, Saunders was actively using a trading program in a NolansFX account as well as through individual accounts he had established with Interbank.
27. Saunders trading program was unsuccessful and MR1's funds were lost through Saunders's unsuccessful trading.

ADDITIONAL FINDINGS OF FACT

28. Both clients and coworkers of Princor opened accounts through Saunders with Interbank. Saunders managed these trading accounts at times at the Princor office, using the Princor computer and fax machine to open accounts at Interbank.
29. During his employment at Princor, Saunders opened trading accounts for at least two coworkers at the firm. One of these employees invested, and lost, \$100,000 in her account with Saunders. The other employee, a 22 year-old administrative assistant, used proceeds from a loan to invest and subsequently lost approximately \$30,950 through Saunders. Saunders conducted all the trades in these accounts.
30. At least 7 Princor clients opened trading accounts through Interbank and Saunders traded these accounts on their behalf while Saunders was employed at Princor.
31. Saunders and FINRA entered into a Letter of Acceptance, Waiver and Consent on October 16, 2008 whereby Saunders consented to a bar from association with any FINRA member in any capacity.

CONCLUSIONS OF LAW

32. The Commissioner, after consideration of the stipulations set forth above and on the consent of the Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over this Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409 RSMo. (Cum. Supp. 2007).

ORDER

NOW, THEREFORE, it is hereby Ordered that:

33. Respondent is BARRED from registration as a broker-dealer agent or investment adviser representative in the State of Missouri.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 24TH DAY OF NOVEMBER, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Lori J. Neidel
Chief Enforcement Counsel
Missouri Securities Division

Dorian Saunders

[\[1\]](#) MR1's Principal annuity was subsequently reinstated on March 13, 2008.